

1 CALIFORNIA DEPARTMENT OF INSURANCE  
2 LEGAL DIVISION

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9 Attorneys for Steve Poizner  
10 Insurance Commissioner

11 **BEFORE THE INSURANCE COMMISSIONER**  
12 **OF THE STATE OF CALIFORNIA**

13 In the Matter of the Licenses and Licensing  
14 Rights of

15 GLEN ANDREW NEASHAM,  
16 Respondent.

17 File No. 08BE01084-AP  
18 ACCUSATION

19 The Insurance Commissioner of the State of California in his official capacity  
20 alleges that:

21 1.

22 Respondent, GLEN ANDREW NEASHAM, now is, and since February 25,  
23 1987, has been licensed by the Insurance Commissioner to act as an Accident and Health  
24 Agent and a Life Only Agent.

25 2.

26 All identifying and privileged information regarding the consumer referenced  
27 herein below has been redacted from this Accusation for purposes of publication on the  
28 Department's public website pursuant to the provisions of California Insurance Code  
Section 12938. Accordingly, the consumer referenced herein below is identified in an  
anonymous manner. Specific identifying information related to said consumer is  
provided in Exhibit A, attached hereto and incorporated herein by this reference, for the

1 purpose of this pleading only and will not be included for publication on said public  
2 website.

3 3.

4 Respondent, on or about February 4, 2008, sold to F.S., who was then  
5 approximately 83 years old, Allianz MasterDex 10 annuity number 70629518 in the  
6 amount of \$175,000.00. Said annuity issued on February 6, 2008. At the time that  
7 Respondents sold said annuity to F.S., she was incompetent to enter into a contract and  
8 was incompetent to understand the terms of the Allianz MasterDex 10 annuity.

10 4.

11 On or about February 4, 2008, Respondent provided F.S. with a printed form  
12 containing a handwritten note at the top of the page "Annuity vs CD". A true and correct  
13 copy of this document is attached hereto as Exhibit "B" (however all fax identifying  
14 information has been redacted) and is hereby incorporated by reference as though fully  
15 set forth herein. This document appears to compare the Allianz MasterDex 10 annuity to  
16 a certificate of deposit. It is misleading in that it contains the following material  
17 omissions: (1.) Next to "Safety", the document appears to indicate that Allianz has  
18 approximately \$140 per \$100 legal reserve, whereas a CD has approximately 2.27 cents  
19 per \$10. Respondent fails to disclose that a certificate of deposit is FDIC insured up to  
20 \$250,000.00, but an annuity is not insured; (2.) Next to "High Yield" is written "13.85%  
21 first year vs. 3.15%". This document does not disclose that after the first year, the  
22 minimum guaranteed interest rate under the "Interest Allocation Account" of the Allianz  
23 annuity is 2%. Further while the 10% bonus is credited to the annuity upon issuance, the  
24 only way the purchaser can access the bonus is through purchasing a payout annuity; (3.)  
25 Next to "Liquidity", the document states "10% per yr.", while on the "CONS" side of the  
26 page, it states "Yes -- penalty for early withdrawl [sic]". This statement fails to explain  
27 that while the Allianz does permit the withdrawal of 10% per year, if the owner  
28 withdraws money in excess of that amount, a loss of "principal" will occur, whereas early

1 withdrawal from a CD results in loss of interest only.

2 5.

3 The matters hereinabove set forth in Paragraphs 3 and 4 show that Respondent is  
4 not of good business reputation and constitute grounds for the Insurance Commissioner  
5 to suspend or revoke the licenses or licensing rights of Respondent pursuant to the  
6 provisions of Sections 1668(d) and 1738 of the California Insurance Code.

7 6.

8 The matters hereinabove set forth in Paragraphs 3 and 4 show that Respondent is  
9 lacking in integrity and constitute grounds for the Insurance Commissioner to suspend or  
10 revoke the licenses or licensing rights of Respondent pursuant to the provisions of  
11 Sections 1668(e) and 1738 of the California Insurance Code.

12 7.

13 The matters hereinabove set forth in Paragraphs 3 and 4 show that it would be  
14 against the public interest to permit Respondent to continue transacting insurance in the  
15 State of California and constitute grounds for said Insurance Commissioner to suspend or  
16 revoke the licenses and licensing rights of Respondent pursuant to the provisions of  
17 Sections 1668(b) and 1738 of the California Insurance Code.

18 8.

19 The matters hereinabove set forth in Paragraphs 3 and 4 show that Respondent  
20 has demonstrated incompetency or untrustworthiness in the conduct of any business or  
21 has by commission of a wrongful act or practice in the course of any business exposed  
22 the public or those dealing with him to the danger of loss, constituting grounds for the  
23 Insurance Commissioner to suspend or revoke the licenses and licensing rights of  
24 Respondent pursuant to the provisions of Sections 1668(j) and 1738 of the California  
25 Insurance Code.

26 9.

27 The matters hereinabove set forth in Paragraph 4 show that Respondent  
28 misrepresented the terms of a policy issued by the insurer or sought to be negotiated by

1 the person making or permitting the misrepresentation, and Respondent misrepresented  
2 the benefits and privileges promised thereunder for the purpose of inducing or intending  
3 to induce the purchase a policy of insurance, in violation of sections 780 (a) and (b) of  
4 the Insurance Code.

5 **10.**

6 The facts alleged above in paragraphs 3 and 4 show that Respondent breached the  
7 duty of honesty, good faith, and fair dealing in their conduct during the offer and sale of a  
8 policy of insurance to a prospective insured who is age 65 years or older, in violation of  
9 Section 785 of the California Insurance Code.

10 **11.**

11 The facts alleged above in Paragraphs 3 and 4 show that Respondent has  
12 previously engaged in a fraudulent practice or act and constitute grounds for the  
13 Insurance Commissioner to suspend or revoke Respondent's licenses and licensing rights  
14 pursuant to the provisions of Sections 1668(i) and 1738 of the California Insurance Code

15  
16  
17 DATED: 12/23/10

STEVE POIZNER  
Insurance Commissioner

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19  
20 By Jodi S. Lerner  
21 JODI S. LERNER  
22 Senior Staff Counsel  
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**Exhibit A**

**Names of Consumers Referenced in Accusation issued in the Matter of the Licenses and Licensing Rights of GLEN ANDREW NEASHAM, Respondent.**

PARAGRAPH NUMBER	ABBREVIATED NAME	FULL NAME
2 & 3	F.S.	Fran Schuber

ANNUITY

VS

CD

## PROS

## CONS

ALLIANZ LIFE

- APPROX. \$140.00 PER \$100.00  
LEGAL RESERVE.
1. Safety
  2. High Yield 13.85% 1ST YR.
  3. Avoidance of Probate YES
  4. Tax Deferral YES
  5. Asset Protection YES
  6. Liquidity 10% PER YR.
  7. Flexibility CAN ADD. 100%
  8. Incontestability BONUS NEW MONEY 5 YRS YES
  9. Creditor Protection MMMNA
  10. Depression Protection -
  11. Lifetime Income Protection YES
  12. Privacy Protection YES
  13. Guarantee of Principal YES
  14. Participate in stock market like returns w/no risk YES

APPROX. 2.27% PER \$100  
IN '05'

VS 3.65%

NO

NO

YES

YES - PENALTY FOR EARLY  
WITHDRAWAL

NO?

MMMNA

-

NO

?

YES

NO

\$18,750. GAIN

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FIRST YEAR. BONUS +

EXHIBIT "B"